NEGOTIATING A UNION CONTRACT AT A NAVAL SUPPLY CENTER

by

Lynn R. Flach

NEGOTIATING A UNION CONTRACT AT A NAVAL SUPPLY CENTER

BY

Lynn R. Flach

Bachelor of Business Administration

University of Miami, 1955

A Thesis Submitted to the School of Government and Business Administration of The George Washington University in Partial Fulfillment of the Requirements for the Degree of Master of Business Administration

June, 1970

Thesis directed by

Edwin Timbers, Ph.D.

Professor of Public Administration

TABLE OF CONTENTS

CHAPTER I

INTRODUCTION

Executive Order 10988 was signed by President John F. Kennedy on January 17, 1962. This order established a program for employee-management cooperation in the federal service. Thus a new era in public personnel administration was opened. His actions were hailed as a first step towards a viable enlightened management to be found in the new administration.

The Kennedy Administration became known as the "New Frontier," and a social revolution was developing within the United States. The basis of this revolution was to be civil rights and the dignity of man. It is perhaps fair to assume that the promulgation of Executive Order 10988 was an extenuation of the basic policies of the Kennedy Administration. However, research indicates that this is not the whole story.

Over the years there had been much pressure on the Congress to write legislation which would permit federal employees to bargain collectively with their employer--the Federal Government. However, successive administrations were able to forestall proposed legislation on the subject before it was enacted. In the face of this stalling, pressure was building, and in 1961 it appeared that there was enough strength within Congress to pass

such a bill. This bill would give employees in the public sector many of the rights they were denied by the labor legislation written to affect the workers in the private sector.

In the summer of 1961, President Kennedy appointed a Task Force to study all aspects of the problem and make recommendations for action. The Secretary of Labor, Arthur Goldberg, was made Chairman of the Task Force and his close personal attention left its mark on the report. Other high level members of the Task Force were the Secretary of Defense and the Postmaster General. Both of these agencies were employers of a considerable proportion of the potential union members in the government's employment. The Chairman of the Civil Service Commission was naturally included in the Task Force and the Bureau of the Budget and the White House were also represented.

The Task Force worked diligently in a short period of time. Perhaps their zeal was motivated by the impending legislation in Congress. In late November 1961, the Task Force submitted their report to the President. They presented what amounts to a novel plan and a feasible compromise between the principle of collective bargaining and the realities of government employment.

The President accepted the findings of the Task Force and Executive Order 10988 was signed and published on January 17, 1962. The program embodied in the Order was to be effective, within the government, on July 1, 1962. This action, as mentioned, ushered in a new era in labor-management relations in the Federal service, and effectively headed off legislative action.

It is no exaggeration to say that the Executive Order, with the shift in policy it required of management, came as something with which management was not familiar. Certainly even the mass of government employees were not aware of the implication of the new program. Unlike the change that took place in the 1930's in industrial labor relations in the private sector, the new federal program was developed almost overnight. It did not emerge from long experience and there were not many managers, within the government, with the experience required to administer the program.

The 1962 Order had some shortcomings but it produced some excellent results, beneficial to both agencies and employees. This has been acknowledged by virtually all concerned. At the same time, there have recently been growing difficulties in program operations and dissatisfaction on the part of both agencies and unions due to the failure to adjust the policies of Executive Order 10988 to changing conditions in the Federal labor-management relations program.

Accomplishments in the program have been substantial. The new policies have contributed to more democratic management of the workforce and marked improvement in communication between agencies and their employees. Through labor-management consultation and negotiation, improved personnel policies and working conditions have been achieved in a number of areas: the scheduling of hours of work, overtime, rest periods and leave; safety and industrial health practices; training and promotion policies; grievance handling; and many other matters of significance to

employees and management. These gains have been achieved while maintaining a labor-management atmosphere of reasonable harmony.

During the past seven years, the extent of union representation has grown dramatically. From the 29 exclusive units in TVA and the Department of Interior, covering about 19,000 employees, which existed prior to the Order, exclusive union representation has grown to 2,305 exclusive units in 35 agencies covering 1,416,073 employees--52 per cent of the total federal workforce is subject to the Order. Exclusive recognition now covers 87 per cent of all postal employees, 67 per cent of wage (blue collar) employees, and 28 per cent of salaried (white collar) employees. Also, many thousands more have union representation in 1,087 units of Formal recognition and a similar number of Informal units.

Federal agencies deal with 130 separate organizations holding Exclusive or Formal recognition. Labor-management agreements in force, excluding local agreements in the postal field service, total 1,181 and cover 1,175,524 employees or 43 per cent of the workforce. Over 800,000 employees have voluntarily authorized payroll deductions for payment of their union dues, in an annual amount in excess of $23,000,000.[1]

With the great growth of union representation, it was the opinion of both labor organizations and agency managers that

---

[1]U.S., Office of the President, Report and Recommendations on: Labor-Management Relations in the Federal Service, President's Study Committee on Labor-Management Relations in the Federal Service (Washington, D. C., August 1969), pp. 2-4. (Hereinafter referred to as Study Committee Report.)

significant changes were needed in program policies if the program was to continue on a constructive course in the future. The size and scope of labor-management relations activity today have produced conditions far different from those to which the policies of the 1962 Order were addressed. There are difficulties in maintaining appropriate distinctions in the rights accorded under Exclusive, Formal, and Informal recognition, in dealing fairly with disputes that occur in union organizing activity and in the negotiation and administration of agreements, and in resolving issues that arise because of the variety of agency policies adopted under the decentralized arrangements provided by Executive Order 10988.

In the Report and Recommendations on Labor-Management Relations in the Federal Service of August 1969 which was submitted by a Joint Committee made up of the Secretary of Defense, the Secretary of Labor, the Director, Bureau of the Budget, and Chairman, Civil Service Commission, it recommended changes to Executive Order 10988 by publishing a new Order. It stated that "the changes should remove many of the current causes of agency and union dissatisfaction and provide a framework for responsible dealings by both sides in the future." It further stated that the changes should 'deal only with deficiencies in the present Order that need correction and weaknesses in operation that need strengthening, for overall the program is healthy and thriving." As a result of the recommendations of this committee, President Nixon signed Executive Order 11491 on October 29, 1969.

Both Executive Orders established certain rules and limitations, but still delegated to each agency considerable discretion to establish and carry out a program for employee-management cooperation in the way best suited to its own needs and the needs of its employees. Commanding officers of activities employing civilians are given maximum practical authority to negotiate policies and procedures which will be effective in dealing with local conditions and problems. Where an employee organization has been granted exclusive recognition, it is entitled to negotiate a written agreement with management covering aspects of personnel policy and working conditions that are within the discretion of the Commanding Officer. The negotiation of a labor-management agreement with an alert and well prepared employee organization presents a real challenge. It also presents management with an opportunity to establish a more meaningful and satisfying relationship with employees and their representatives.

It is the purpose of this thesis to trace the growth of unions in the Federal Government and at the Naval Supply Center, Charleston, South Carolina, and to appraise the methods of negotiating the union-management contract agreement as authorized under Executive Order 10988 at the Naval Supply Center Charleston.

The author's previous tour assignment was at the Naval Supply Center Charleston with duties as Director of the Material Department. During this time, he constantly dealt with the union on a day-by-day basis and as a result, played a key role in the renegotiation of the new union-management contract agreement.

Of the 550 "blue-collar" employees in the Material Department, 500 were members of the Metal Trades Council (MTC), an affiliate of the AFL-CIO. The initial contract agreement was signed in March, 1967, and was renegotiated during the winter of 1968-1969. This thesis will primarily cover actions taken just prior to and during the renegotiation period. Even though several unions were recognized at Naval Supply Center Charleston, this paper will only cover activities involving the MTC.

Two methods of data collection have been employed in assembling information to write this paper: case study and documentary analysis. The case study involves the contract negotiation process at Naval Supply Center Charleston. The documentary analysis involves a wide assortment of published and unpublished material.

In addition to covering the different aspects related to contract negotiations, recommendations will be made on how to improve the negotiation process which will apply to both the local level of management and also management at the Washington level.

CHAPTER II

HISTORY OF UNIONS

The labor movement originated in the guilds of the medieval era and gained impetus during the Industrial Revolution. Although labor organizations were initially banned by law, an increasing tolerance was developed by society, so that by the beginning of the nineteenth century the present-day pattern of union activity and collective bargaining was well understood and frequently accepted in relations between employers and employees.

Local trade organizations got their start in the United States as early as 1790 and, as a result of various conditions, political and economic, by 1860 national unions began to develop slowly. For the next forty years their growth was accelerated with the mergence of the Knights of Labor, Federation of Organized Trades and Labor, and the American Federation of Labor (A.F.L.) which, in 1886, had a membership of 138,000 and doubled its size during the next 12 years. In the following three decades it consolidated its position as the principal federation of American unions until it had grown to two million members by 1916. During World War I, membership jumped to four million, but after the war

dropped to three million members and reached a low of 2.1 million in 1933.[1]

Between 1932 and 1935 the passage of legislation favorable to the unions set the stage for rapid expansion in the membership of established unions and for organization of workers in many mass production industries. This latter development led to jurisdictional problems and ultimately resulted in the formation of the Congress of Industrial Organizations (C.I.O.) in 1938.

Despite the split, both the A.F.L. and the C.I.O. continued in growth. By 1941, their membership was estimated between ten and eleven million and increased further during World War II. Then there was a leveling off as the unions ran out of readily organizable industries and occupations.[2]

In 1953, the A.F.L. and C.I.O. were able to agree on a "no-raiding" pact when they realized that they were not as far apart as the initial controversies made it seem. This paved the way for a reunion which took place in December, 1955, with the formation of the A.F.L.-C.I.O., with a total membership of about 14 million dues-paying members. In 1951, however, about one and a half million of these were lost when the Teamsters' Union and two other small unions were expelled. In addition to these major unions, it is estimated that various independent labor organizations had a membership of 2.9 million.[3]

---

[1]U.S., Department of Labor, Bureau of Labor Statistics, Brief History of the American Labor Movement, Bulletin 1000 (Washington: Government Printing Office, 1964), pp. 4-6. (Hereinafter referred to as Brief History.)

[2]Ibid., pp. 30-36. [3]Ibid., pp. 46-48.

Eight years after the merger, its organizing promise remained largely unfulfilled. On the contrary, union membership had declined, both in absolute terms and as a proportion of the labor force. The forces at work making organizing more difficult or reducing the number of union members included (1) the changing composition of the labor force, that is, increasing numbers of white-collar workers and decreasing numbers of manual or blue-collar workers, (2) the impact of technological change on existing centers of organization, particularly the mass-production industries, and (3) a continuation of organization rivalries. Some success at easing the latter obstacle, through coordinated organization campaigns in specific areas, was reported at the 1963 AFL-CIO convention.[1]

In 1962, 181 national and international unions with headquarters in the United States had approximately 17.6 million members, including about one million in areas outside the United States, primarily in Canada. One hundred and thirty AFL-CIO affiliates accounted for 14.8 million members, and fifty-one unaffiliated national unions had 2.8 million members. The membership total was about 847,000 below the peak reached in 1956.[2]

Unions in the Federal Service

Craft Unions

Employees in the Government's industrial activities

---

[1] Ibid., p. 54.

[2] Ibid., p. 55.

(arsenals, Navy yards, printing plants) have been organized along craft lines for many years. As early as the 1830s, certain craftsmen, including carpenters, blacksmiths, and caulkers, organized local craft groups.

The Government craft unions conducted themselves in much the same manner as their counterparts in private industry. Government installations occasionally were the scenes of strikes, as in the Philadelphia, Norfolk, and Washington, D. C. Navy Yards and at the Rock Island Arsenal. As late as 1912, the Watertown Arsenal was the scene of a strike by Government craft employees. From 1861 to 1906, the Government Printing Office was a closed shop in which only union members could obtain permanent employment. In 1906, President Roosevelt ordered that the "open shop" be put into effect in that agency.[1]

In the 1830s and 40s efforts of the craft unions were directed primarily toward shortening the work day to ten hours and then (after President Van Buren's Executive Order of 1840 granting a ten-hour day) to eight hours with initial success dependent largely upon nearby prevailing practice in private industry (although the first eight-hour day for certain workers went into effect in a Government Installation).

In 1861, Government craft union leaders persuaded Congress to enact the first of the "prevailing-wage" statutes. This was modified the next year to permit greater flexibility. An 1862 law stated:

---

[1]Chantee Lewis, "The Changing Climate in Federal Labor Relations," United States Naval Institute Proceedings, March, 1965, pp. 60-69.

> . . . that the hours of labor and the rates of wages of the employees in the Navy Yards shall conform as nearly as is consistent with the public interest with those of private establishments in the immediate vicinity of the respective yards, to be determined by the commandants of the navy yards, subject to the approval of the Secretary of the Navy.[1]

While craft unions were established early in the Federal Government, for some time the total strength of the membership in these unions was not great. The number of unionized employees in various crafts did not exceed 10,000 employees during the years before the First World War. During that war, membership did not exceed 25,000 Federal employees; in the 1920s and early 1930s, membership fell back to less than 10,000 employees. It was not until the late 30s when wage-board employment in the Federal Government began to expand significantly, that craft unionism expanded on an appreciable scale.

During the Second World War, when wage-board employment reached a high of about 1,000,000 employees, craft union strength reached an estimated high of about 250,000 Federal employees. Membership has fluctuated since with changes in the level of wage board employment.[2]

The Postal Unions

In 1868, Congress adopted an eight-hour day law for Federal "laborers, workmen and mechanics." Enactment of this law was regarded as a victory for organized labor. It was also the signal for other Government employees to strive for a similar work day.

---

[1] Ibid., p. 65.

[2] Ibid., pp. 65-66.

Many of these employees then worked ten or more hours, depending on prevailing local practice. "Benefit associations" of letter carriers were among the first postal groups to engage in formal efforts to secure an eight-hour-day law for their membership. In 1888, such a law was passed. In working for its enactment it became evident to letter carrier leaders that a continuing national organization would be valuable in advancing their interests. Accordingly, the National Association of Letter Carriers was formally established in 1889 as the first national postal union. In 1917 it became affiliated with the American Federation of Labor. The National Association of Letter Carriers has always been one of the largest postal unions. Its membership was reported to be 11,000 in 1897; by 1941, it was 66,000; and the President's Task Force on Employee-Management Relations estimated 1961 membership at 150,000.[1]

The success of the National Association of Letter Carriers in securing benefits for its members stimulated the interest of other postal groups in unionization. Within a twenty-year period, five more national unions of postal groups were formed out of the nucleus of "benefit societies" and similar social organizations of postal workers. These were the clerks, railway mail clerks, rural letter carriers, and postmasters.

The clerks were the second group of postal employees to be formally organized. In 1889 they formed the United National

---

[1]U.S., Brief History, pp. 11-13.

Association of Post Office Clerks. A few years later, the National Federation of Post Office Clerks (AFL) was organized. The National Federation, now the United Federation of Postal Clerks (AFL-CIO) is the largest of the clerk organizations. The staff of the Task Force on Employee-Management Relations estimated the 1961 membership as 145,000.

In the early efforts to obtain improvement of pay and working conditions the postal union officers quickly learned that their greatest potential for success lay in cultivating close relations with key members of Congress. In 1895, the Postmaster General, who vigorously opposed such relationships, issued the first of the so-called "gag orders," decreeing that no postal employee could testify before Congress on working conditions. This prohibition was given more decisive and broader effect by President Theodore Roosevelt who promulgated two Executive Orders, one in 1902 and the second in 1906. These orders prohibited any Federal employee or any organization of Federal employees from lobbying in Congress. President Taft, in 1909, reaffirmed President Roosevelt's original decrees. In doing so he aroused the ire of Congress by specifying, in addition, that Federal employees were not to "respond to any request for information from either House of Congress except through or as authorized by the agency head concerned." The answer of Congress was to insert the Lloyd-LaFollette Act of 1912 as a rider in the Post Office Department appropriation bill. That act has remained the only significant Federal statute on union-management relations in the Federal

service (except for the prohibition of strikes). It reads in pertinent part as follows:

> (c) Membership in any society, association, club, or other form of organization of postal employees not affiliated with any outside organization imposing an obligation or duty upon them to engage in any strike, or proposing to assist them in any strike, against the United States, having for its objects among other things, improvements in the conditions of labor of its members, including hours of labor and compensation therefor and leave of absence of any person or groups of persons in said postal service, or the presenting by any such person or groups of persons of any grievance or grievances to the Congress or any Member thereof shall not constitute or be cause for reduction in rank or compensation or removal of such person or groups of persons from said service.
>
> (d) The right of persons employed in the civil service of the United States, either individually or collectively, to petition Congress, or any Member thereof, or to furnish information to either House of Congress, or to any committee or member thereof, shall not be denied or interfered with.[1]

This is the basis on which the right to join or refrain from joining employee organizations has rested for postal employees and, by extension, for all Federal employees. Also, it provides the indirect recognition that strikes against the Government are not proper.

The General Unions

From about 1900 to 1917 sporadic efforts were made to organize other Federal employees along occupational lines or for particular purposes (e.g., to obtain retirement legislation) with little general success. However, in 1917 the situation changed when serious consideration was given by Congress to a proposal to increase the Federal work-day in the departmental service from

---

[1] Ibid., pp. 12-15.

seven to eight hours (for a six-day week). Within a few months general union membership in the departmental service increased from a token membership to 11,000. The fight against longer hours led to the organization of the National Federation of Federal Employees, formed in September, 1917, as an affiliate of the AFL.[1]

The NFFE was a unique phenomenon on the Government scene at the time because any Government worker, irrespective of trade or occupation specialty, was eligible for membership. NFFE grew rapidly in size. In 1920, there were 38,000 members; in 1935, 65,000; and by 1939, 75,000 members. Claimed membership in 1960 was 53,000.

NFFE's early efforts were directed toward supporting and strengthening elements of the Federal civil service system. NFFE pressed vigorously for the enactment of the Civil Service Retirement Act of 1920. It also took a strong position on behalf of a Federal classification system. After the Classification Act of 1923 was enacted, NFFE urged its extension to the field services. Its offices cooperated with Congress and Government agencies in study of the problems involved.

NFFE's efforts were opposed by the AFL national organization, its parent group. The parent organization regarded position classification as a threat to established apprentice-journeyman standards and believed that if position classification methods were widely adopted by the Federal Government, private industry

---

[1] Ibid., pp. 17-20.

would follow the example. After heated debate in the 1931 AFL convention, NFFE split with its parent body.

AFL national felt it desirable to continue to represent the interest of general Government workers in its ranks and chartered the American Federation of Government Employees in 1931, as an affiliate. AFGE had 18,000 members in 1936; in 1940, 30,000. Its claim in 1960 was for 70,322 members. AFGE, like its older rival, has concerned itself with extension of the civil service system, and with strengthening certain of its elements.

In its early days, AFGE was beset with internal conflicts which in 1937 led to a further split and the creation of United Federal Workers, which was chartered by CIO. In 1946, the UFW combined with the State, County and Municipal Workers of America, also CIO, to form the United Public Workers of America. A total membership of 75,000 was claimed at the time of the merger. In 1950 it was expelled from CIO national on the grounds of failure to eliminate communists from positions of influence within the organization. UPWA has now vanished from the Federal union scene.

UPWA activities had a pronounced effect upon public employer-employee relations. Its constitution has a provision of strike procedure and, although the union leadership vigorously denied that the provision in question applied to its FEDERAL chapters, the reaction of Congress was swift. Riders were attached to appropriation bills prohibiting payment of salary or wages of employees belonging to organizations asserting the right to strike. The Congressional furor over the alleged assertion by the UPWA

of the right to strike against the Federal Government, coupled with the fact that a number of its locals actually did strike against city governments, led to the statement in the Taft-Hartley Act which categorically denied the right to strike to all Federal employees. Within a few years following Taft-Hartley, ten State legislatures enacted laws establishing the same policy for State and local employees.[1]

Even though laws prohibit strikes by Government employees, on March 18, 1970, the postmen walked out on strike. It was the first such walkout by Federal workers in the history of the United States. For the first time, the Government was confronted with the tactics used by labor unions against private enterprise--a crippling work stoppage. The President of the United States, like any corporation president, found himself dealing with conflicting demands and jealousies of rival labor leaders.

The wildcat strike of some 200,000 postal workers, which began in New York City, spread through fifteen States, coast to coast, paralyzing mail services in such cities as New York, Philadelphia, and Detroit. Embargoes on mail to strike-hit areas caused gigantic pile-ups. Banks, businesses, public utilities, and others dependent on normal mail operations were seriously affected. Welfare recipients and persons whose paychecks are sent by mail were among the victims. In economic terms, the toll was high.

Pay and working conditions brought on the strike. Letter

---

[1]Ibid., pp. 19-21.

carriers' pay runs from $6,176 to $8,442 a year. The top figure is reached after twenty-one years on the job. The average yearly base pay for the entire postal service is $7,475. The letter carriers demanded that the pay range be $8,500 to $11,700, with the top pay being reached after five years. This meant a 40 per cent increase.[1]

A pay raise for the postal workers had been stymied in Congress for months, because it was tied to a Presidential plan for drastic reform of the whole postal service. The plan would:

1. Make the post office a TVA-like authority with a degree of corporate autonomy.

2. Wipe out postal deficits exceeding $1.3 billion by 1978.

3. Take promotions and appointments out of political control.

4. Improve wages and working conditions for the 750,000 employees.

5. Assure reliable "first-class" mail delivery at a cost that would be kept under control by sophisticated technological advances financed in an even-paced way through public debt issues.[2]

The strikers defied Federal law, court injunctions and the back-to-work pleas of their own leaders. On March 23, the President declared a national emergency and mobilized 24,000 troops to move the mail, an unprecedented action. On March 25, the Postmaster General, satisfied that postal workers were

---

[1] "Postal Strike--The Effect," U.S. News & World Report, April 6, 1970, pp. 16-19.

[2] "Untangling the Mess in the Post Office," Business Week, March 28, 1970, pp. 78-108.

returning to work, began negotiations in Washington with union leaders. Union negotiators reported that progress in the pay talks satisfied their expectation of prompt and favorable results.[1]

The postal employees' walkout was an angry culmination of their long discontent with labor relations in the Post Office, and it reflected the general trend to more militant unionism in government employment everywhere. Employee militancy in the postal service has been increasing year by year, and either as the cause of that or along with it, rank-and-file members of major unions have been behaving like members of the big industrial unions--pressing national leaders to be more aggressive, demanding changes in work conditions, and particularly demanding "equity" with unionists employed in private industry. Political infighting over the postal bill before Congress brought this aggressiveness into sharp focus.

The President's Task Force on Employee-Management Relations

The Task Force on Employee-Management Relations in the Federal Service, which President Kennedy established in June, 1961, made an extensive study of the state of relations between management and employee organizations in the Federal Government. Some of the significant findings are summarized below.

---

[1] Ibid.

Status of Negotiation and Collective Bargaining

Among the smaller agencies which were conducting dealings with employee organizations, such dealings usually took place between individual employee organizations and management, each organization dealing in behalf of its membership. Substantial numbers of individual union locals were also dealt with individually in the large agencies. For instance, the Treasury Department was conducting dealings with eighty-seven locals of different employee organizations, including locals of the AFGE, the NFFE, established trade and craft unions affiliated with the AFL-CIO, "employee councils," veterans groups, and special independent organizations. The Department of the Navy was conducting dealings with several hundred local employee organizations of various kinds, the Department of the Army with 253 organizations, the Air Force with more than 150 different organizations, and the Panama Canal Company with thirty-six different organizations of employees who were citizens of the United States.

Before 1945, in the Department of Interior formal relations were largely confined to wage determination. In 1948, a policy statement permitting collective bargaining was issued. In 1959, a new statement introduced the policy of signing basic and supplementary agreements between management and labor. The agreements contained provisions for use of mediation and arbitration procedures where agreement was not reached in negotiation

and for the use of arbitration in disputes growing out of the application of agreements. The Secretary of the Interior reserved the right to disapprove all arbitration or adjustment awards.[1]

Need for Presidential Policy

In its report to the President, the Task Force stated:

> At the present time, the Federal Government has no Presidential policy on employee-management relations, or at least no policy beyond the barest acknowledgment that such relations ought to exist. Lacking guidance the various agencies of the Government have proceeded on widely varying courses. Some have established extensive relations with employee organizations; most have done little; a number have done nothing. The Task Force is firmly of the opinion that in large areas of the Government we are yet to take advantage of this means of enlisting the creative energies of Government workers in the formulation and implementation of policies that shape the conditions of their work.[2]

Special Circumstances Affecting Federal Employee-Management Relations

The Task Force found that the special circumstances affecting Federal employee-management relations could be outlined briefly as follows:

First, the public interest. Management's responsibilities for efficient, economical, and timely action in the public interest are paramount.

Second, the separation of powers and division of authority in

---

[1]U.S., Office of the President, A Policy for Employee-Management Cooperation in the Federal Service, President's Task Force on Employee-Management Relations in the Federal Service (Washington, D. C., November 30, 1961), pp. 1-12.

[2]Ibid., p. 8.

the Federal system limit the areas for dealing between an agency and its employees. Many of the basic conditions of employment are set by law and are not negotiable in the Executive Branch. The President issues policies under his own authority which the management of each agency must observe. Further, there are central control agencies whose functions cut across agency lines (e.g., the Civil Service Commission, the Comptroller General, Bureau of Budget).

Third, the merit system is the basis of Federal employment practices and must be preserved. The statement of the President's Task Force as to the impact of their recommendation on the merit system is significant:

> The Task Force wishes to note its conviction that there need be no conflict between the system of employee-management relations proposed and the Civil Service merit system, which is and should remain the essential basis of the personnel policy of the Federal Government.
>
> The principle of entrance into the career service on the basis of open competition, selection on merit and fitness, and advancement on the same basis, together with the full range of principles and practices that make up the Civil Service system govern the essential character of each individual's employment. Collective dealings cannot vary these principles. It must operate within their framework.
>
> The Civil Service system has provided an excellent, and, indeed, indispensable method of selecting government employees and rewarding their achievements. However, it has not, on the whole, provided a means by which employees acting in concert may promote the collective interests of civil servants. In this light it is clear that the systems are both mutually compatible, and in fact complement each other.[1]

---

[1] Ibid., pp. 11-12.

Program for Employee-Management Cooperation--Executive Order 10988

As a result of the Task Force Report, Executive Order 10988 was issued on 17 January 1962. This Executive Order, which took all of the above-mentioned special considerations into account, established the framework for a program of employee-management cooperation in the Federal service. It affirms as Presidential policy that the participation of employees in formulation and implementation of personnel policies is desirable and encourages continuance and expansion of these practices. The Executive Order also states as Presidential policy that:

> Efficient administration of Government and well being of employees require that orderly and constructive relationships be maintained between employee organizations and management officials and that effective employee-management cooperation requires a clear statement of the respective rights and obligations of employee organizations and agency management.[1]

The Executive Order emphasizes the paramount importance of the public interest, and it excludes from the scope of negotiation all matters of law, policies set forth in the Federal Personnel Manual, and agency regulations. It reserves to management a number of basic rights, e.g., the right to direct employees; to take personnel actions, including disciplinary actions; to relieve employees from duty because of lack of work or other legitimate reasons; to maintain the efficiency of government operations; and to determine the means by which such operations are to be conducted.

---

[1]U.S., President, Executive Order 10988, Employee-Management Cooperation in the Federal Service, January 17, 1962, p. 1.

The mission of an agency or activity, its budget, its organization, the assignment of its personnel, and the technology of performing its work are matters reserved for determination by management. Further, the Executive Order specifically provides that an agency of the Government shall be free "to take whatever actions may be necessary to carry out the mission of the agency in situations of emergency."

But aside from these basic rights, which management officials within the Executive Branch must retain in order to carry out their public function, there are many aspects of employment and working conditions in which Federal employees, individually or as members of labor organizations, can participate in determining personnel policy and practice through the vehicles of consultation and negotiation.

Labor-Management Relations in the Federal Government--Executive Order 11491

On October 29, 1969, President Nixon signed into effect Executive Order 11491 based upon the recommendations of a joint committee as stated in their Report and Recommendations on Labor-Management Relations in the Federal Service of August, 1969. The new Order replaces the seven-year-old Executive Order 10988 and covers 2.8 million Federal employees.

Although the Order continues the ban on employee strikes and the union shop, it will require government unions to file regular financial disclosure statements with the Secretary of Labor, and to bond top officers who handle union funds.

It states that government unions cannot bargain over wages or hours, but they can negotiate contracts with agencies on work and vacation schedules, overtime, safety and grievance procedures. If agreement cannot be reached by the agency and union negotiators, either party can request binding arbitration. This would come from an impasse panel appointed by the President. Future union elections will be policed by the Labor Department, rather than by individual agencies.

Executive Order 11491 also changes the types of recognition granted Federal unions, a move that will hurt, if not wipe out, some of the small independent organizations. The system of "informal recognition," given to even the smallest employee groups, will be eliminated by July 1, 1970. "Formal" recognition, which goes to a union with a 10 per cent membership in an agency or unit, will be phased out by December 31, 1970. Exclusive recognition will be granted to unions that win a majority vote from eligible employees within an agency or unit. Most of the major agency exclusives are now held by AFL-CIO affiliates.

Supervisors and guards, under the new order, may only belong to general membership unions. However, the unions cannot bargain for them, and any benefits won for rank-and-file employees will not go to supervisor personnel or guards.

This Order also states that organization representatives shall not be on official time when negotiating agreements with agency management. Under Executive Order 10988 organization representatives were allowed to negotiate on Government time without

any limitation unless specified in the negotiating schedule which is usually drawn up prior to the commencement of negotiations.

It was the desire of the committee that the changes under Executive Order 11491 be accomplished without serious disruption to the present program. According to an employee relations representative in the Navy Department,[1] the new Order has not caused any problems in relation to those union agreements already in effect. However, there are two areas causing problems in the negotiations now underway. They are the stipulation that union members will be "off the clock" while negotiating and the binding versus advisory arbitration.

The unions do not want to bargain "off the clock"; therefore, they are insisting on bargaining after working hours. The situations that have arisen so far have been worked out between management and the union, usually along the line of half the negotiations being conducted during the work day "off the clock" and the other half after working hours.

Executive Order 11491 does not state specifically that arbitration must be binding. The committee's report stated that "exceptions to arbitrators' decisions should be sustained only on grounds similar to those applied by the courts in private sector labor-management relations."[2] The Navy Department feels that this area is open to negotiation at the negotiating table.

---

[1]Tom Garnett, Employee Relations Staff, Office of Civilian Manpower Management, Department of the Navy, personal interview, Washington, February 25, 1970.

[2]Study Committee Report, p. 49.

CHAPTER III

IMPACT OF EXECUTIVE ORDER 10988 ON THE NAVY

World War II accelerated efforts at cooperation in labor relations areas within the defense establishment. By now, unions were fairly well organized; management had psychologically accepted the rights of employees to join unions; and the Federal Government had set a precedent of bargaining collectively in some agencies or bureaus. In addition, the Army and Navy industrial establishments had weathered some seventeen strikes or walkouts of varying lengths before realizing that workers needed an outlet for negotiation and effective communications when they felt that they had a serious grievance.

Initially, the Navy was considered the most progressive with its employee councils, but soon the Army, and later the Air Force, followed suit. Both the Army and the Navy restricted supervisor participation in their councils. In addition, the wage boards of all three services gave employees the opportunity to participate or consult with management. The degree of union participation and membership continued to increase and, by 1961, the Presidential Task Force reported that membership in the defense agencies was as follows: Navy 29 per cent, with 96,528 union

members; Army 11 per cent, with 39,331 members; and Air Force 9 per cent, with 24,650 members.[1]

A review of the history of employee-management relations in defense agencies reflects that there has been a consistent increase in the degree of employee participation with management. However, tensions and inequities still exist. The First Hoover Commission, in 1949, found that the Federal agencies were lacking a "formal provision for the positive participation of employees, both as individuals and in organized groups, in the formulation and improvement of Federal personnel policies and practices."[2]

With the growth of union strength in government and the introduction of Federal laws covering union relations with private industry (mainly the 1935 Wagner Act revised by the Taft-Hartley Act of 1947 and the Labor-Management Relations Act of 1959), along with National Labor Relations Board decisions, it is not surprising that more and more public employees were experiencing the contagious influence of the movement. With the steady growth of total government managing many "private industry" types of operations, some people wondered why Federal employees, who are not engaged in long-recognized "governmental functions," such as those in the Department of Defense or the Department of State, should not come under a Taft-Hartley type of procedure.

This apparent contrast in standards led to the introduction

---

[1]Lewis, "The Changing Climate," p. 66.

[2]Ibid., p. 67.

of over thirty bills in the 87th Congress (1961) relating to employee-management relations in the Federal service. Each year this type of legislation has been gaining support. Federal Personnel Management had been aware of this since 1951 and had encouraged officials to solicit and consider the views of their employees in formulating personnel policy. However, there was never any Presidential policy in the area that could serve as a guide for all agencies. Thus, in 1961, the stage was set for an executive reappraisal of Federal labor policies.

In June 1961, President Kennedy appointed a special task force, with Arthur J. Goldberg who was Secretary of Labor at that time, as its Chairman. A number of agencies indicated to the task force a desire to maintain the status quo. Since the task force found a problem did exist, this was not considered to be a realistic solution. The task force discovered that labor relations procedures varied widely between agencies; often excellent national policies were established only to be ignored in the field, and working conditions and hours were a greater problem than wages. Many agencies were completely unaware of the worker's viewpoint. Existing grievance procedures were determined to be inadequate, and the Navy's employee councils were reported to be little more than "company unions," in some cases even doing more harm than good.

The Task Force Report indicated that some action was needed. If the Executive Department did not move, it would be only a matter of time before Congress would seize the initiative and legislate in this area, possibly creating less flexible laws and eroding

command prerogatives. Acting on task force recommendations, President Kennedy, in January 1962, established a government-wide policy acknowledging the legitimate role which employee organizations would have in forming and implementing personnel policies and practices. The specific recommendations of the task force were incorporated in Executive Order 10988.

The objectives of Executive Order 10988 were to provide for constructive employee-management relations, increase employee participation, and to specify clearly union and management rights and objectives. The principal sections of the Executive Order embody the following:

1. In addition to defining employee rights, management is required to maintain a neutral attitude concerning whether or not its employees join unions.

2. Guidance is provided should conflict of interest arise. This involves key employees and supervisors whose responsibilities to management may be incompatible with the duties associated with holding union office, such as in the case of most supervisors.

3. A definition is given on what constitutes an employee organization (union) in the Government. Only those organizations whose primary purpose is the improvement of working conditions qualify. Navy Employee Councils and veterans' organizations do not qualify.

4. Criteria are established to be used for determining the type of recognition to be given an employee organization. The three types of recognition are: informal, formal, and exclusive.

This is the heart of the Executive Order. Official recognition means status and is the major motivation for union leaders desiring to enlarge their memberships. The first category, informal, is granted to any acceptable employee organization. Then, if at least 10 per cent of the members of the proposed appropriate unit belong to one union, formal recognition is granted. This does not secure the right to a written contract, but it does give the union the right to be consulted on matters of interest to its members. Management is obligated to seek the views of such unions from time to time.

5. The requirements for exclusive recognition and the determination of the appropriate bargaining unit are established. In broad terms, this unit is determined on the basis of "an identifiable community of interests among the employees concerned." This remained a controversial subject; it provoked many Navy advisory arbitration hearings with management losing most of the decisions. Too often the initial determination was made on the basis of administrative convenience without considering all of the crafts and trades involved. A union with formal status that has 50 per cent or more of the members in the bargaining unit can request exclusive recognition. When elections are necessary to determine specific union membership, the representative vote required is 60 per cent of those in the unit eligible to vote, and the final selection is made by a majority of those voting. Exclusive recognition entitles the union to sit down with management and negotiate a written contract for all employees of the unit.

6. Provision is made for unions with exclusive recognition to negotiate agreements containing grievance procedures, providing these procedures do not impair any rights already available to an employee. In addition, advisory arbitration by a neutral third party is authorized.

7. Limits are set on the official time and facilities that may be used for union business. Grievances, in general, are conducted on official time. Contract negotiations may be conducted during off-duty hours at the request of the agency. In general, using official duty time to conduct internal union business is prohibited (soliciting members, dues, etc.).

8. Procedures are described for deciding union and majority status disputes. This is advisory arbitration which provides, upon the request of an agency or union, for the Secretary of Labor to nominate one or more qualified arbitrators to handle disputes involving the appropriateness of a unit. The Navy has had more arbitration cases, as a result of union requests, than the other services.

9. The Civil Service Commission (CSC) is the agency responsible for technical assistance in the training of management officials in employee-management relations. This part of the Executive Order also provides for a continuous study and review of the Federal employee-management relations program.

10. The CSC and the Department of Labor have a dual responsibility as specified for the standards of conduct and fair labor practices. In addition, a watchdog committee composed of members

of the original Presidential task force was set up. This committee received complaints and reviewed the progress of collective bargaining.

11. The appeal rights of all Federal employees against the adverse action of agencies were standardized. In the past, a double standard existed between the rights of veterans and non-veterans.

12. The last section sets forth that certain investigative and intelligence agencies are exempted. Agency heads may suspend the provisions of the Order, in the national interest, with respect to installations or activities outside the United States.[1]

Thus the Executive Order 10988 standardized employee-management relations throughout the Federal Government. Though the Navy's record in industrial relations had been fair, it had certain weaknesses, such as a reluctance on the part of certain commands to acknowledge unions as legitimate. The major shortcomings of past Federal labor relations were corrected by the Executive Order while, at the same time, management retained the initiative in personnel practices.

Executive Order 10988 experienced some rough water, but an appraisal of its progress to date indicates that:

1. With the exception of small unions (150 or fewer members), the quality of union and management leadership improved. Communications are better, aided by the simplified method of airing complaints and grievances.

---

[1]Ibid., pp. 67-68.

2. Exclusive agreements are leading to clearer statements of rights and objectives for both unions and management. Large unions (over 500 members) such as are found at shipyards, supply centers, and air stations, are the employee organizations principally involved with the exclusive recognition provisions.

3. The profile of the type of union that gained the most in participation and membership was large craft units, such as metal trades or maritime unions with exclusive recognition.

4. The principal problems reported by unions were conflict of interest, hostile civilian supervisors, management too legalistic or formal, the bargaining unit, limited knowledge of the Executive Order, and limited bargaining areas. The principal problems reported by management were need for additional training of new union leaders, the extra workload, and the bargaining unit question.[1]

It appears that the Executive Order met its objectives and successfully ushered in a new era in employee-management cooperation. Over-all progress has been of a positive nature. Greater cooperation does exist with a probable increase in job satisfaction. The Executive Order met an important need by clarifying employee status and management policies. Improved cooperation and communications between Federal managers and the employee organizations proved to be a source of strength to the Naval Establishment and thereby increased the effective use of one of our most valuable resources, manpower.

---

[1]Ibid., p. 69.

Implementation of Executive Order 10988
at Naval Supply Center Charleston

Prior to Executive Order 10988, regulations permitted establishment of an Employee's Council consisting of nonsupervisory employees. At the Naval Supply Center (NSC) Charleston, the ungraded or blue collar employees voted for the establishment of an Employee's Council while the graded or classified employees voted against it. The purpose of the Council was to meet periodically with management and present problems which usually related to working conditions or safety. Management would review and consider items submitted in an effort to resolve the problems to the satisfaction of all concerned.

After Executive Order 10988 was signed, the ungraded employees were first to organize under the provisions of the Order. The Metal Trades Council (MTC) was the primary organization which took the initiative in soliciting membership. They first gained informal recognition during the later part of 1962. This was relatively easy to obtain. They had to submit the following information to the NSC Commanding Officer, who then granted recognition:

1. A roster of the organization's officers and other representatives;

2. A copy of the organization's constitution and by-laws and a statement of its objectives;

3. A statement that the employee organization is in compliance with the Standards of Conduct;

4. A statement that the organization does not assert the right to strike against the Government;

5. A statement that the organization does not advocate the overthrow of the constitutional form of government;

6. A statement that the organization has no rule, procedure, or ritual which permits discrimination because of race, creed, color, or national origin; and

7. A statement that the organization is not subject to corrupt influences.[1]

Once informal recognition was granted, the MTC immediately began working on formal recognition. To gain formal recognition, the organization must have no less than 10 per cent membership of the total civilian employees in the unit. When acceptable evidence of membership is presented to and approved by the Commanding Officer of the activity, the organization is granted formal recognition. The MTC received formal recognition at NSC Charleston during the early part of 1964.

The next goal for the MTC was exclusive recognition. To gain exclusive recognition, the MTC had to show that it had:

1. A majority membership in the unit; or

2. A minimum of at least 10 per cent membership and a sufficient number of authorization cards to total in excess of 50 per cent of the eligible employees in the unit; or

---

[1]U.S., Civil Service Commission, Navy Civilian Personnel Instruction 721, December 24, 1964, Washington, D. C., p. 5. (Hereinafter referred to as NCPI 721.)

3. A total of at least 30 per cent support within the unit to justify an election.[1]

The final determination is the responsibility of the Commanding Officer. If he feels that the organization has support of at least 50 per cent of the unit, an election need not be held. An election was held at NSC Charleston but not until the union worked hard on membership drive which lasted many months. They finally won exclusive recognition during the Spring of 1966, some two years after receiving formal recognition.

A union granted exclusive recognition can request that a written agreement be negotiated. The MTC made such a request and contract negotitations began in June 1966. The first meeting set the tempo for the entire negotiating period. The union negotiating team walked out of the meeting a few minutes after it started because of the seating arrangement around the table. They started negotiating again after a one week "cooling off" period, but the negotiations were halted many times for similar insignificant reasons. Since the union negotiating team was "on the clock," there was no real incentive for them to conclude the negotiations as soon as possible. An agreement was finally completed nine months later and signed in March, 1967.

The agreement was for a two year period. During this time, many weaknesses in the agreement became apparent. Such vague statements as "each union steward will be granted a reasonable

---

[1] Ibid., p. 6.

amount of time during his work day to conduct union business" led to problems between the union steward and his supervisor. Actually the union stewards were spending practically all their time on "union business" and not on the job. Another big problem was that the supervisors did not see the agreement until after it was signed. Many things had been agreed to which the supervisors felt were impossible to live with. As a result, the supervisors were not anxious to work with the union and a multitude of grievances were generated by the employees. Many grievances were submitted at the suggestion of union stewards in an attempt to put the supervisors on the spot. The general feeling was that the agreement was very poor and that major effort would be put forth to generate a much better agreement when it was renegotiated.[1]

---

[1]Tom Hamilton, Staff Assistant to the Material Department Director, Naval Supply Center Charleston, South Carolina, Personal Interview, February 3, 1970.

CHAPTER IV

NEGOTIATIONS AT NAVAL SUPPLY CENTER CHARLESTON*

The two year period under the 1967 MTC contract agreement was a difficult time for management at NSC Charleston. Many grievances were submitted by the employees, most of which were submitted at the request of the union stewards.

A grievance is submitted when a verbal complaint by an employee is not solved by the supervisor to the satisfaction of the complaining employee. The grievance is submitted in writing to the department head who must reply in writing. The department head will hold a hearing before he makes his decision. The next step, if a satisfactory solution has not been reached, is the Commanding Officer. Another hearing is held and another decision is passed down in writing. If the employee is still unhappy, the grievance can go to arbitration where an impartial individual will hold a hearing and pass down his decision. The arbitrator's decision can be either advisory or binding, whichever was agreed to during the contract negotiations.

---

*This chapter was written based upon the experiences of the author while assigned to NSC Charleston, and interviews held with Lieutenant Commander Robert K. Berg, who, while assigned to NSC Charleston, was a member of the management negotiating team.

Grievances were submitted at the rate of three per week. About three-fourths went to the second step and one-fourth to the third step, the Commanding Officer. Only three ever went as far as arbitration. To reduce the large number of grievances and save some management time, the Commanding Officer decided to "open his door" to the union officials. He felt that he could solve some of the problems himself and talk them out of many other ideas for which they had been submitting grievances. He was right in that the number of grievances decreased; however, the supervisors became extremely unhappy. Their decisions were being overturned by the Commanding Officer without any prior discussion with him. Of course the union was happy to have access to the Commanding Officer. They took full advantage of it, which resulted in many gains for them. This unsatisfactory situation continued until a new Commanding Officer arrived in the Fall of 1968. His first word to the union was that his door was not open to them and that he wanted them to abide strictly by the contract agreement. The union was unhappy again.

Management was generally "fed-up" with the union and felt very little benefit was being gained based upon the many hours of time being spent on union matters. The militancy in the union was growing and the cry of unfair labor practices was being heard more and more. The new Commanding Officer recognized that something had to be done before the situation got completely out of hand. He felt his best approach to solving the problem was to ensure that the new contract agreement, which was due to be renegotiated

soon, was written in a way that the many weaknesses of the old contract were eliminated.

In preparation for the renegotiations, he first had the Employee Relations Staff review all grievances submitted during the previous two years and then summarize the problems. After studying the problems, it was felt that they were generated as a result of the following weaknesses in the original contract agreement:

1. The contract required two weeks notice to change an employee's work schedule; therefore, there was no flexibility in the establishment of workshifts or workweeks.

2. The contract restricted the type of work employees could be assigned (clean-up was strictly for janitors).

3. Supervisory authority was undercut by allowing the union stewards to go directly to higher management.

4. Military supervisors' authority was eroded by requiring them to deal through civilian supervisors on all matters.

5. Overtime was made an option of the individual when requested by management, rather than a requirement under the rights of management.

6. Union personnel were given unrestrained and unaccounted for liberty to conduct union business.

7. The union was allowed to sit in on selection and promotion panels.

8. The union was given an authoritative role in safety matters in that employees were not required to work on a job until the union stated that it was safe.

9. The employee's rights of privacy were abrogated by the necessity of a union official being present any time an employee was called in to talk to his supervisor.

10. The union was allowed to pursue grievances after the employee was satisfied.

After the above major weaknesses had been submitted to the Commanding Officer, he decided that his next objective was to name a negotiating team that could come up with his desired results. As chief spokesman, he picked his executive officer, a Navy Captain. Three other key members were a Lieutenant Commander who had worked in the Material Department, the administrative assistant to the Director of the Material Department, a GS-11, who had been a member of the first negotiating team, and the head of the Employee Relations Staff, also a GS-11. This was considered the strongest possible negotiating team that management could assemble within NSC Charleston.

The Prenegotiation Agreement

Approximately forty-five days prior to the commencement of contract negotiations, the president of the Charleston MTC met with the assistant head spokesman for management to discuss the negotiating schedule and the ground rules. After agreeing upon the terms of negotiating, an agreement was signed by both parties.

Management was anxious to get a good prenegotiation agreement because they felt that the success of the contract negotiations was dependent upon several rules proposed by management. The primary one was the period of time management would allow the

union members to negotiate "on the clock." Since the first contract took nine months to negotiate, management wanted to make sure this did not happen again. It was finally agreed that the union negotiators would go "off the clock" three months after the start of negotiations if an agreement had not been reached by that time.

Another rule management felt was important was that no undefinable words or phrases should be used in the contract. The old contract was full of undefinable terms and the correction of this was considered to be one of the objectives with the highest priority.

It was agreed that management and the union could each have one observer. This provided adequate representation and was not so large a group which would have a tendency to slow down progress.

The designation of a space for the negotiations and caucus arrangements was left to the desires of management. Management's reason for wanting this right was directed primarily at naming the location for union caucuses. During the first contract negotiation, the union used the request for caucus to get out of negotiations and disappear. This to management was merely a delaying tactic. This time management would designate a space adjacent to the negotiating room for all union caucuses.

Other items outlined in the prenegotiation agreement were the schedule of negotiation sessions, the order in which subjects to be discussed would be taken up, the procedure for the initialing and setting aside the portions of the contract as the language was

worked out to the mutual satisfaction of both parties, and methods to be used in identifying and attempting to resolve any potential deadlocks which might develop. Management was successful in getting all elements in the prenegotiation agreement which were considered essential to achieve their goals during the actual contract negotiations.

Negotiable and Nonnegotiable Items

Matters generally appropriate for negotiation are stated as follows in the Navy Civilian Personnel Instructions:

> Matters appropriate for negotiation with recognized employee organizations are policies and programs related to working conditions, including but not limited to such matters as safety, training, labor-management cooperation, employee services, methods of adjusting grievances, appeals, leave, promotion plans, demotion practices, pay practices, reduction-in-force practices, and hours of work.[1]

Maters not negotiable are stated as follows:

> Areas of discretion and policy such as the activity's mission, budget, organization, assignment of personnel, or the technology of performing its work.[2]

The basic dividing line on what is or is not negotiable is a subtle one. For example, management has the right "to promote" and unions have the right to negotiate certain aspects of "promotion plans." The first right--to promote--refers to the advancement of a single individual. "Promotion plans" refer to the command's plans and procedures by which all employees in a unit will be considered for promotion and, as such, it is a negotiable item.

---

[1] NCPI 721, Section 6-2a, p. 8.

[2] Ibid., Section 6-2b, p. 8.

A second example is that management has the "right" to "maintain efficiency" of operations. Management can replace ten workers with a machine if it is more efficient. The union, however, has the right to negotiate the question of what will happen to the replaced employees--who, when, and in what order.

A third example is that management has the "right" to "assign" employees to specific jobs including overtime jobs, menial jobs, and dirty jobs. The union has the "right" to negotiate concerning the procedures followed by management when employees are "assigned" to these tasks.

The following is a list of negotiable items discussed and included in the union contract at NSC Charleston:

1. Recognition and unit description.
2. Rights of management.
3. Grievance and appeal procedures.
4. Annual leave procedures.
5. Procedures for assigning overtime.
6. Sick leave procedures.
7. Procedures for handling disciplinary actions.
8. Assignment of work details.
9. Civic responsibilities.
10. Parking privileges.
11. Reduction-in-force plans.
12. Fund raising campaigns.
13. Retirement counselling.
14. Maternity leave.

15. Merit promotion policies and plans.
16. Training and employee development.
17. Holiday work.
18. Committee membership.
19. Hours of work.
20. Basic work week.
21. Orientation of new employees.
22. Use of official time for consultation and/or negotiation.
23. Apprentice programs.
24. Transportation arrangements.
25. Bulletin board space.
26. Union representation.
27. Safety.
28. Employee services.
29. Equal opportunity practices.
30. Medical considerations.
31. Food service facilities.
32. Working environment.
33. Distribution of paychecks.
34. Call back requirements.
35. Union office space.
36. Withholding of dues.

The above list is an example of the broad scope of what was negotiated. Actually, any matter that falls within the Commanding Officer's discretion is subject to negotiation. This includes many, many items.

Management Preparation and Review Cycle

Management began preparations for the negotiations approximately thirty days prior to the negotiation starting date. Management felt that the best approach was to begin preparations with the people who, in the final analysis, would be most directly affected by the contract on a day-to-day basis--the first line supervisor. The supervisor is the person who must resolve employee problems. He is in daily contact with the employees and their union steward. He is the man who approves the leave, assigns the daily work, knows the working conditions in the office, warehouse, and shop. The supervisor is the one who is helped or hampered by what is finally agreed upon at the bargaining table and printed in the contract. Since the supervisors did not know what was in the first contract until after it was signed, which caused major problems, management exerted maximum effort to make sure the supervisor was not overlooked this time.

Preparations began in the Personnel Office with an in-depth review of all grievances which had been filed during the contract period and a review of all meetings and correspondence held relating to dealings between management and the union. This review proved quite useful in highlighting those areas of personnel policy and those sections of the contract which had created problems in the past and would be probable discussion topics at the bargaining table.

Additional research was conducted by personnel in the Personnel Office on the effect of any changes in the current

personnel instructions on the various negotiable personnel policies. Copies of all recent Navy contracts negotiated with the MTC at other activities were studied to review any trends that might be included in the MTC's demands at Charleston.

At the same time these reviews were taking place in the Personnel Office, meetings were held with all the first level supervisors. These meetings consisted of a page-by-page review of the old contract to list problems which had resulted from various sections of the old contract during the past two years. These meetings also served as a sounding board for the supervisors to make suggestions on changes, modifications, and new provisions which they would like to see management shoot for in the new contract.

These supervisory meetings were considered absolutely essential to the entire preparation cycle, as it is from these meetings that the building blocks for management's position are first formulated. One point was made clear from the outset and repeated at regular intervals. Just because the supervisors and senior echelons of management advance certain proposed changes and modifications, it was no guarantee that all such changes would be in the contract. The negotiations consist of a series of compromises with each party getting less than they originally hoped for. It is simply not possible at the bargaining table that both sides will see every issue in the same light. Both parties will be doing their very best to secure that contract wording which will best serve their interest, and all participants in the planning

and preparation cycle must always be prepared to accept the fact that some of the sections they most want to get in the contract will not be possible.

Exhibit IV-1 depicts the steps taken by management in preparation to renegotiate the contract with Charleston MTC and the following is a detailed discussion of the action taken during each step:

Step One--All supervisory personnel of the unit employees attended two separate meetings as the initial step. These meetings served several purposes:

1. A page-by-page review of the old contract to isolate any previous problems and develop potential modifications desired by first line supervision.

2. A sounding board for supervisors.

3. A means for retraining supervisors on contract provisions and philosophy of labor-management relations.

4. A means for fully involving supervisors by consulting them from the beginning.

5. A device for reinforcing the image and status of first line supervisors.

Step Two--After preparing a comprehensive listing of points raised by the supervisors, four three-man Proposal Drafting Boards were appointed to work under the direction of the Management Team Coordinator. These Boards were made up of two ungraded foremen and one graded supervisor of unit employees. Care was taken to ensure the Board's membership was diversified by organizational

PREPARATION/REVIEW CYCLE
OF MANAGEMENT PROPOSALS

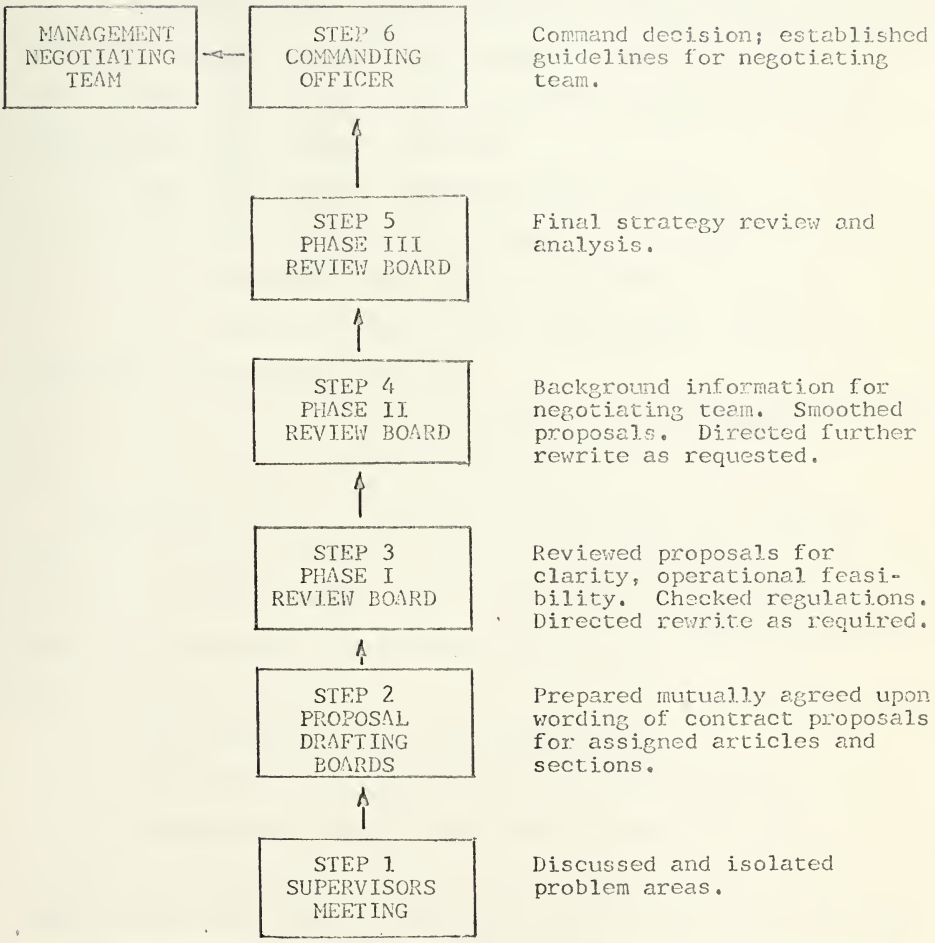


EXHIBIT IV-1

component to develop a maximum cross-fertilization of thinking. These Boards were responsible for:

1. Drafting formal contract proposals incorporating the points raised by the supervisors in Step One. Each Board was allocated specific articles and sections by distributing equal shares of the comprehensive listing of points.

2. Drafting alternate proposals where possible.

3. Ranking of proposals by priority as follows:

(a) Mandatory--worth going all the way to impasse.

(b) Highly Desirable--would significantly enhance operations and/or labor relations.

(c) Nice to Have--would improve operations/labor relations but not worth a major management effort.

Step Three--Once the Proposal Drafting Boards had completed their first drafts they were scheduled to present these drafts to the Phase I Review Board. This was an eleven-man Review Board under the chairmanship of the Negotiating Team Coordinator and was composed as follows:

1. Three members of the negotiating team.

2. Three Department Directors of the unit employees.

3. Five personnel specialists from the Personnel Office.

The Phase I Review Board was deliberately kept "lean and mean" limiting its size. As each Proposal Drafting Board presented its draft, the Review Board had as its mandate:

1. Act as a first cut "murder board."

2. Check drafts for conflict with regulations.

3. Check drafts against precedents.

4. Review for operational feasibility.

5. Review for clarity.

6. Send back for rewrite as required.

Approximately 50 per cent of the Proposal Drafting Boards' drafts cleared the Phase I Board on first review.

Step Four--After the Phase I Review Board had completed their review and all drafts had cleared them, the Board was expanded and convened as the Phase II Review Board under the chairmanship of the Chief Spokesman, the Executive Officer. In addition to the eleven members of thePhase I Board, the Phase II Board was expanded to include:

1. All members of the Management Negotiating Team.

2. All Division Directors and/or key supervisors of unit personnel.

3. The Director and Deputy Director of the Personnel Office.

By this time, the more obvious problems with early proposals had been weeded out and reworked during Phase I Review. The Phase II Review Board would concentrate on the following:

1. Elimination of subtle technical and operational nuances which still existed.

2. Ensuring maximum opportunity for key personnel to express their viewpoints and maintain their involvement.

3. Providing an in-depth background to the Negotiating Team

on the rationale and specific past incidents supporting the proposals as written.

Less than 20 per cent of the early drafts were sent back for rework by the Phase II Board.

Step Five--The semifinal review was made by the Phase III Review Board. This Board was chaired by the Commanding Officer and consisted of all members of the Phase II Board plus the Planning Officer. The Phase III Board served primarily as a panel of experts to answer any questions the Commanding Officer might have and as a Command Strategy Board. At this stage in preparations the various "fall back" positions were discussed, alternative proposals were confirmed, and ranking of the priorities for each proposal was established.

Step Six--The final "Board" was the Commanding Officer. Having chaired the Phase III Board, he was prepared to make the final Command decisions and to establish the precept guidelines for the Chief Spokesman and members of the Management Negotiating Team.

The advantages that accrued from preparing for the negotiations in the step-by-step manner listed above were numerous and are noted as follows:

1. By starting with the supervisors, their support of the final contract was strengthened and their detailed knowledge of the operating environment ensured that the end result, the contract, coincided with operating reality.

2. By gradually expanding the number of personnel involved at

each step, the total man-days involved was kept to a minimum consistent with the requirement at each level of review. The plan was structured to provide a maximum of twenty-eight key personnel at any single meeting after the supervisor's initial meetings--yet the benefits of having all supervisors involved at one or more times were achieved. By taking care to assign supervisors to different groups or phases, it was possible to maintain a healthy balance of key people "on the job."

3. The plan provided a graduated review structure of ascending management levels in an iterative process to minimize the time that top management involvement would be required. Yet top management was not isolated from the viewpoint of first level supervisors.

4. The procedure was established to prepare management's proposals prior to receipt of the union's proposal. By having an experienced team "in being" at the time the union's proposal was received, it was possible to review and analyze the proposal in a rapid, professional manner.

5. Having all supervisors assigned to established groups and/or boards made it possible to convene these personnel on short notice for the purpose of rewriting proposals during negotiations as necessary, consultation on strategy, and for briefing them on progress of negotiations.

6. Finally, the concept proved to be a highly valuable supervisory training medium.

Once all of management's positions had been finalized in smooth draft form, they were ready for typing as part of an entire

contract package. All of the proposals were typed in the smooth copy for use by the Negotiating Team as counter proposals to be offered at the negotiating table.

The Union's Contract Proposals

The entire process of drafting management's position was completed prior to receipt of the union's proposals. On the day the union presented their contract package, the Phase II Board was reconvened to conduct an in-depth analysis of the union's demands and bump them against the management positions that had already been established. By use of a projector, each of the union's proposals was projected on a screen and a round table discussion of each of their points was made possible. In several instances it was found necessary to redraft management's earlier proposals based on the close review of the union's proposals. However, the earlier preparations had been sufficiently thorough that the amount of rewriting was minimal and most of that final week of preparation was devoted to preparations of negotiating handbooks for the Management Negotiating Team in which the reasons supporting each of management's positions were summarized in great detail. A book of authoritative reference material was also prepared and annotated to provide ready access by the Team.

The Union's proposals were poorly written and in many cases incomplete. The union had obviously copied their proposals from other contracts and had not bothered to change many of the terms used in the wording. For example, some terms and phrases used in a shipyard contract would not be applicable to a Naval Supply

Center contract. Management was rather pleased to find that the union had not done its "homework." Management's strategy was to substitute their proposals for the unions and bargain over them during the negotiations. With the union's proposal being so poorly written, management felt that the substitution would be easy.

Some of the demands included in the union's proposals were considered farfetched. For example, they did not want to work in the warehouses if the temperature outside was over 90^{o} or below 32^{o}. Another proposal asked that each man be given a day off on his birthday. The union also asked that the workweek be made a standard Monday through Friday, eight to four-thirty shift. Any work outside these hours should be considered overtime. Other requests were for more stewards; that management would automatically select the top man on the eligibility list for promotion; that each union official be given a parking space near his work area; that the union be furnished a large office space; that the union be represented at all management planning conferences; and that all paychecks be delivered to members of the unit by eight-thirty on payday.

In addition to the group review with the supervisors, management applied several other tests to each of the union's proposals. These tests were as follows:

1. Is the proposal reasonable? Is it necessary?

2. Would it conflict with any existing law, regulation, or Navy directive?

3. Could we live with the proposal as presented? What part of it? In modified form?

4. What are its implications in terms of cost to the activity?

5. Could it reasonably be expected to bring about an improvement of some kind in activity operations or employee-manage-relationship?

6. If a change in current policy or procedure is proposed, is the proposal designed to overcome some actual difficulty that has been encountered?

7. Could it have Navy-wide implications?

One of the primary general objectives of the negotiating process was the deliberate and objective airing of issues and policies of concern to unit employees. Management felt that the negotiations should result in an agreement which established a constructive and cooperative labor-management relationship. The nature of the negotiation process is such, however, that it was not possible to set hard and fast rules of procedure which would guarantee success. Management has done as much "homework" as possible, and now the success of the negotiations was left to the personality and the skill of the negotiating team.

At the Negotiating Table

The Negotiating Team received final instructions from the Commanding Officer and the negotiations began. The word passed on to the Team by the Commanding Officer was that management's chief spokesman could agree to the sections as had been approved by him,

but any significant difference in the phraseology was to be reviewed by him before acceptance. Also, before any major changes were made to any of the previously approved management positions, the chief spokesman was required to hold a caucus and convene the review boards for a last look at the new proposal before committing management. While this reduced the flexibility of the chief spokesman in the negotiating room, it had a favorable effect of making sure that the operating man could live with the changed wording and made sure that there were no hidden "hookers" in the wording that might not have been caught during the heat of battle.

Management's chief spokesman, NSC's Executive Officer, was a quiet, deliberate individual who always smoked a pipe. It was impossible to "shake" him and cause him to make any irrational statements. He would listen to the union negotiators threaten and accuse management of wrong doings without any expression--only puffs from his pipe. After the union had thoroughly talked out their position on a point, which was often based upon conflicting statements because each member of the union negotiating team was allowed to talk, he would inject management's position. He proved to be so "cool" and so positive in his approach to management's position that the union had to change their chief spokesman four times before getting someone who could negotiate on equal terms with management. The union started with a local MTC representative as chief spokesman, than an International Representative for the East Coast tried it. He was replaced by the

President of the Area MTC who was shortly relieved by a special negotiator from the National Headquarters. This man had just finished negotiating a contract for the garbage collectors in New York City which ended a long strike. He was extremely capable and negotiations started to become productive.

The new union chief spokesman adopted the same rule that management had all along and that was that no one talked during negotiations except the chief spokesman. If any negotiating team member wanted to make a point, he would pass it to the chief spokesman or call for a caucus. This technique was extremely successful for management and appear to work for the union insomuch as it eliminated the open disagreement which was evident earlier.

The management team was successful in focusing the discussion on management's counterproposals rather than the language drafted by the union. Negotiating on the basis of management language made it easier to portray employee-management problems as management saw them, thus placing the union in a position where it had to review its proposals not entirely in the perspective of what its membership wanted, but through the eyes of management and in relation to problems management was interested in solving. This tactic enhanced the prospects for a satisfactory and workable agreement.

As soon as a meeting of the minds was achieved on a subject under discussion, it was initialed by each chief spokesman and dated. A copy was made so that each team could maintain a file of agreed upon contract language. Those sections over which

agreement could not be reached were held not be reached were held back for discussion later.

After following a five day, eight hour a day negotiating schedule, the negotiations reached the three month cut-off date for "on the clock" negotiations with only two items remaining to be signed off. The union won a one week extension from the Commanding Officer and at the end of this period and after two late night negotiating sessions, all items were signed off.

Management was successful in winning every point it desired to have included in the new contract. Actually, very little wording ended up different than was proposed by management. This success can be attributed to the tactics and techniques used during the negotiations by management's negotiating team. The tactics and techniques used are listed as follows, along with a discussion covering the purpose and justification for each item:

1. Do not talk down or look down on employee negotiators. A friendly, matter-of-fact, equal status attitude was taken toward the union negotiators. Unless the union negotiators feel that they are being treated with the courtesy and respect befitting their status as employee representatives and spokesmen, any existing tendency to be suspicious, truculent, and stubborn in negotiations will be intensified. The management negotiators, of course, are entitled to the same courtesy and respect.

2. Use the caucus. The responses which management gave to union proposals or issues raised during negotiating sessions were often the product of joint effort in caucus by the negotiating

team and others in the ranks of activity management who had been consulted. Under normal conditions it is the spokesman's responsibility to sense the trend of the discussion, to determine timing, and to make a response to the union's assertions or proposals which is consistent with management's objectives and is based on his and the team's judgment as to the applicability of a predetermined management position to the particular issue at hand.

3. Proceed "with all deliberate speed." Management's evident sincerity in wanting to finish negotiations, sign the agreement, and get it into operation without unnecessary delay demonstrated its good faith to the employee organization and to rank and file employees. Characteristically, negotiation time is a time of unsettled morale. Employees are wondering what the outcome of the bargaining will be in terms of changed programs and practices, and just how much the union will succeed in achieving for them. This uncertainty sometimes shows up in on-the-job performance, and productivity may suffer.

4. Resist "it's already been agreed to" tactic. In many cases the proposals submitted to management are taken from guideline agreements furnished by union headquarters, or copies from portions of agreements negotiated at other activities. Proposed articles or clauses that originate in this way often fail to adequately reflect or address themselves to the local situation, and this can cause problems for the negotiators on both sides of the table.

Unions often feel they are on strong ground in proposing

a section or article which has already been incorporated into an agreement negotiated at a similar activity. Sometimes they are right. But just because a provision has been agreed upon at one naval shipyard--or even at four or five--it does not necessarily follow that it should be accepted by management at the next one. Contract language drafted to accomplish a particular objective or overcome a particular problem at one activity may do more harm than good if adopted at another where underlying conditions are somewhat different, and where other objectives and problems should be receiving attention instead.

Each union proposal should be considered on its merits. If a proposal is clearly relevant in terms of conditions at the activity and in the unit represented by the local union involved, it should receive serious consideration. On the other hand, a proposal which has simply been "cribbed" from another activity's agreement need not take up much negotiating time unless the union can justify it convincingly in relation to local conditions, problems or needs.

5. Do not give rise to false hopes. In discussing specific union proposals, one had to keep in mind the employees' "area of expectation." When negotiating begins, the employee organization knows full well that it is not going to get everything it asks. It has usually deliberately loaded its proposals in order to provide leeway for compromise. But it does have an area of expectation, a zone within which an offer from management will meet the rank and file's current aspirations.

The important thing is not to expand this area of expectation, by any word or act. For this reason, management negotiators should be exceedingly careful of the comments they make in each specific proposal. For the same reason, management's counterproposal must be made with care. Should management indicate either by comment or counterproposal that it is willing to grant materially more than the employee organization or its rank and file expected, then the hopes of one or both are raised to new levels and thereafter it becomes more difficult for the employee organization to reconcile itself to accepting less.

6. Do not make commitments you do not intend to keep. The broken word frequently lies at the bottom of unsatisfactory negotiations. This applies even when the commitments are hypothetical. The future is so uncertain that even the most unlikely of events can occur. Activity negotiators and their fellow management officials, understanding this, should make commitments with care--and should reconcile themselves to living with all provisions in the agreement, including those which may later begin to look like mistakes.

Unkept commitments undermine the force and authority of the entire agreement. If management does not set an example in standing behind the agreement, it cannot expect respect from the employee organization. In the long run the creation of a mutual respect for the agreement, and a mutual determination that it must be lived with, will benefit the activity far more than any temporary advantage that might be gained by violating or ignoring

one of its provisions, no matter how onerous that provision has turned out to be.

7. Do not misrepresent or whitewash facts. If management is wrong, there should be no hesitancy in acknowledging this fact. If the employee organization is right, do not be afraid to say so. When the facts are not immediately available to prove whether a union allegation is right or wrong, suspend judgment and postpone discussion of the issue until the facts can be investigated and checked. An important part of management's job is to bring the facts to light at the negotiating table. That simple accomplishment alone can do more to counter unreasonable employee proposals and eliminate emotional antipathy toward Navy management than any amount of official oratory.

Further, it does not pay to whitewash facts which place management in an ignoble light. The employees and supervisors who will have to work with the agreement on a day-to-day basis are much more interested in results than in excuses. When the facts reveal management to be in the wrong, the only course open to management is to take prompt steps to remedy the wrong and to make sure that it will not recur. No better evidence of good faith and honest intentions can be presented to the employee organization.

8. Support your stand with reason. It takes very little thought or effort to say "No" to an employee organization. But in labor-management negotiation, "No" by itself is never enough. If management says "No," the men across the table are entitled to know why and the why must consist of fact, or logic, or both.

If management cannot accept a union proposal or accede to a union request, it is generally possible to convey that fact in a more positive and palatable manner, in terms of a counterproposal or an explanation of the problem faced by management. At any rate, good faith bargaining requires that the management team have reasons to support any position it takes. It also means that management representatives must be willing to listen to the union's views and to reconsider their own position in light of what they hear. And, of course, it means the same thing for the union.

9. Explain, describe, illustrate. Union and management negotiators view any given issue from different standpoints. Like two people looking at a work of sculpture from different angles, each sees the subject differently. This creates communication problems that management negotiators must learn to recognize and work to overcome.

When the management spokesman is making a point, he should try to express himself in such a way that every member of the union team will understand what he is saying. It is not necessary to "talk down" to the union in order to do this, but it is necessary to develop a feeling for the type of oral presentation that will strike a responsive chord on the other side of the table. Talking, even talking all day, will be futile unless the talker is "getting through."

No union representative will agree to a management proposal that he is not sure he understands. When he understands fully what management is saying he may still be opposed but that

understanding must first be obtained before any progress can be made on obtaining his agreement.

When it appears to the management spokesman that he has failed to get across his point, he should alter his approach somewhat and try again. Descriptions, examples, and illustrations will help. Patience will help too. Successful communication must be achieved, for this is the key to successful negotiation.

10. Be calm, patient, tolerant. Emotion often blinds men to reason and will usually beget an emotional reaction from the other party involved. Feelings may well run high from time to time during the course of negotiations, but it should be remembered that no satisfactory agreement can be written when emotionalism prevails on both sides of the table. When it dominates the approach of one side, the other side will probably emerge with the better terms. For this reason a union will occasionally attempt to induce an emotional reaction on the management side of the table as a negotiating tactic.

Occasionally, however, employee negotiators may become so emotional that it grows apparent that nothing further will be accomplished without a marked change in the climate within the conference room. It is desirable to hear the union out, if possible, on any subject about which it feels strongly, as long as its statements do not become abusive. When an opportunity presents itself, the management spokesman can then suggest a recess, or even termination of that day's session. When the parties get together again the next day or next week, the topic can usually be brought up again with much less risk of emotional outbursts.

The management team should avoid shows of emotion and should react with patience and tolerance to those of the other side. When questions are asked of the union negotiators, they should be phrased in such a way as to elicit information rather than emotion. Negotiations should be tackled in a businesslike way, as calmly and objectively as possible.

11. Do not "let sleeping dogs lie." This phrase covers situations where significant issues, having been temporarily set aside, have not been brought back to the bargaining table before the agreement is completed; where it is obvious that the union's concept of the actual meaning of an agreed-upon clause differs from management's interpretation of it; or where issues have been wrangled back and forth inconclusively and the subject is dropped without management clearly stating where it stands when all the argumentation has ended.

These "sleeping dogs" all too frequently wake up. And when they do, they growl and they bite. For careless negotiation practices leave loose ends and uncertainties in the negotiators' minds. Each such loose end and uncertainty can create grievances and further bickering after the agreement is signed. This is particularly true when the parties have incorporated a section or clause in the agreement without having reached a full meeting of the minds as to its intended meaning and application.

Of course, it sometimes happens that the union negotiators, after pressing a certain proposal, will agree to set it aside for later reconsideration and then fail to mention it again. This may

indicate a desire to drop the proposal, and it is often wise for management to simply let it go at that. Considerable sensitivity and insight is needed to distinguish this type of situation from the dangerous one in which a potentially troublesome issue is left lying on the table with management's position unstated.

12. Be careful of "final" offers. Don't be pushed into calling a proposal or offer "final" unless you really mean it. Your final word must reflect your awareness of all alternatives and consequences. If it does not, you may be creating an unnecessary impasse with all the exasperation of temper and explosive possibilities that any seemingly irreconcilable conflict creates. Further, if "final" offers turn out to be something less than final, the union will soon be convinced that management does not mean what it says. And when management does take a final stand, the union, believing that management, as usual, holds another offer in reserve, will refuse to compromise. Result: a stalemate.

It is best, therefore, to avoid a "final" proposal except where any further modification of management's stand would put it in a position which is clearly untenable or contrary to some legal or regulatory requirement. Before making an authentically final offer, management should have thought through the consequences of the employee organization's possible refusal to accept it and have decided that these consequences can be borne. If there is a possibility that the issue may be submitted to fact finding or mediation, management should be sure that the position it takes will stand up under close scrutiny by an impartial third party.

A large ceremony was held to celebrate the signing of the contract agreement. It was a hard fought battle and both sides were glad it was over.

After the signing, management set up a training program for supervisory personnel. The training sessions were conducted by members of the negotiating team. The training covered all significant provisions, with emphasis on those which required a change from current practice. The role of the union steward, and the importance of establishing a businesslike supervisor-steward relationship, were also covered.

Management was ready to observe the results of a union contract which had been built by the involvement and hard work of an interested management force.

CHAPTER V

RESULTS OF THE NAVAL SUPPLY CENTER CHARLESTON NEGOTIATING METHOD

The new union contract agreement has been in effect now for a period of one year. The results based upon the number of grievances submitted indicates that it is an extremely good agreement. Table 1 reflects the number of grievances submitted under the old agreement and under the new agreement.

TABLE 1

NUMBER OF GRIEVANCES AT NSC CHARLESTON

Grievance Steps	Old Contract 1967	1968	New Contract 1969
First Step	109	131	5
Second Step	65	87	0
Third Step	27	32	0
Arbitration	1	2	0

Source: Employee Relations Division, NSC Charleston, March, 1970.

The decline in the number of grievances submitted under the new agreement is a drastic reduction compared to the previous agreement. This decrease is attributed directly to the preparation prior to negotiations, the outstanding ability of the

management negotiating team and the use of only those words and phrases in the agreement that were clearly understood by both sides.

The extensive preparation by management prior to the start of negotiations not only prepared the members of the negotiating team but also enlightened the supervisors in the area of union negotiations. They had an opportunity to express their feelings regarding the old contract and help prepare the counteeproposals for the new contract. This knowledge has not left them and is now being put to use on a day-by-day basis in their dealings with the union. The union agreement is no longer a confusing document causing arguments over the reason for a certain section, but is used as a guide for action by both the union and management as new and different situations arise.

The management negotiating team did an outstanding job in winning all the major points that management wanted in the new agreement. The tactics and techniques used by management's team permitted the union to fully state their positions and sometimes their complaints. Once the union had spoken, the management team clearly stated their position as well as taking corrective action that could be taken applicable to any legitimate union complaints. At the conclusion of the negotiations, the union was absolutely clear on every position of management and was fully aware of management's reasoning behind each section in the agreement. The union officials gained trust in management during the negotiations which is still evident today.

Use of clearly definable words and phrases in the agreement was a key objective which was carried out during the negotiations. A large portion of the grievances submitted under the old agreement was because the union was interpreting the agreement in one way and management in another. Such wording as allowing union stewards a "reasonable" amount of work time to conduct union business was eliminated and replaced with a maximum number of hours per week allowed. To monitor the number of hours spent on union business each week, the union officials are required to sign out of their work area and in at the work area of the member being contacted. In addition to limiting the number of hours off the job, this technique also allows management a way to price-out the true union off-the-job cost.

Needless to say, management at NSC, Charleston, is elated over the results of the new contract.

CHAPTER VI

CONCLUSIONS AND RECOMMENDATIONS

The purpose of negotiations is to reach agreement. Since labor and management invariably approach the negotiation process with conflicting objectives and conflicting viewpoints, reaching agreement seldom comes easy. Nevertheless, thousands of labor-management agreements are successfully negotiated and renegotiated every year without becoming bogged down in the type of deadlocks which produce headlines about the failure of the parties to reach a meeting of the minds.

NSC Charleston went through an elaborate preparation cycle which included all supervisors that were involved with the union. Along with the preparation cycle, the top-notch ability of the management negotiating team contributed to the success of the new contract. The new contract is working as is evident by the dramatic reduction in the number of grievances which have been submitted.

The union was forced to change their chief spokesman four times before any progress was made at the negotiating table. This is a flexibility not available to the management team. The union can continue to ask their headquarters for a different spokesman until they have one in whom they have confidence.

The management negotiating team received no guidance from the Washington level except when specific questions were asked. All negotiable options were left to the discretion of the Commanding Officer. Needless to say, all options received close personal scrutiny of the Commanding Officer and were approved by him before any agreement was initialed off at the negotiating table.

It is recognized that the negotiating procedures at NSC Charleston will not suit the needs of all activities. The methods suitable to a particular activity may be simpler or more complex depending on such factors as the union involved, the past history of relations with the union, whether the contract is a first or a renegotiation and the availability of supervisors and personnel experts.

The lessons learned at NSC Charleston would suggest the following recommendations be applied to the entire union negotiating process:

1. Get all the supervisors involved. First and foremost is the inclusion of all supervisors in the negotiation preparation cycle. All of the preparation in the world will be useless if the end result does not coincide with the realities of the operating world.

2. Recognize the present and potential problems. Usually problems come to light through grievances. Management should be fully aware of all grievances entertained, especially by the supervisors at the first step, and the reasons behind the grievances. To know the reasons allows management an opportunity to plan a

solution to the problems, if not under the present contract, then through the new contract when renegotiated.

3. Communicate. It is important to know what other activities have done in the area of labor relations. Each command should exchange union contracts, problems, and positions. To know what the other activities are doing allows you to be better prepared and also helps prevent the establishment of any farfetched precedents in new contracts.

4. Establish systemwide guidance at the Washington level on contract positions. At the present time, negotiation of union contracts is left to the prerogative of each Commanding Officer. The headquarters in Washington only provides assistance when asked. In the case of Charleston, the Commanding Officer was extremely interested and, as a result, the union gained very little at the expense of the Government. However, for those activities where the Commanding Officer is not interested in cost savings or not interested in general, the union can make major gains which will not be easy to overcome in the future. For example, paying overtime for any work beyond a normal day shift or a paid holiday on each member's birthday. Guidance should be furnished to each activity from the Washington level to guide negotiating teams in the major cost areas.

5. Establish a labor relations training team at the Washington level for field activities. Charleston picked the best qualified personnel available in the command as members of the negotiating team. All other work was put aside and the negotiations came

first. The members were clever enough to educate themselves on the techniques of negotiating a contract. A training course would have been of great value. Many activities cannot afford to drop everything and put their best people on the negotiating team. Since very few management personnel have ever had any negotiating experience, a training team is essential. It should be established at the Washington level for training both civilian and military personnel. The training should be in classrooms since much of the information passed out would not be for union consumption. This recommendation is certainly one which should be implemented without delay.

In addition, it is recommended that NSC Charleston document their entire negotiating method in detail. Since the effectiveness of their negotiations is now evident by the number of grievances submitted, they are in a strong position to convince other activities that their approach is one that works. Also, members of their negotiating team should be made available to other activities as consultants on matters relating to negotiating an agreement. There are very few experienced management negotiators; therefore, NSC Charleston has a product that will be demanded by others.

It is important that the above recommendations be considered because the union is continuing to grow, the unions demands are becoming increasingly strong, and the union hostility and militancy are increasing. Management's rights are continuing to be eroded. If management does not prepare itself, true command could eventually be lost.

BIBLIOGRAPHY

Books

Barbash, Jack. Labor Unions in Action. New York: Harper & Brothers, 1948.

_____. The Practice of Unionism. New York: Harper & Brothers, 1956.

Beal, Edwin F., and Wikersham, Edward D. The Practice of Collective Bargaining. Homewood, Ill.: Richard D. Irwin, Inc., 1963.

Berstein, Marver H. The Job of the Federal Executive. Washington: The Brookings Institution, 1958.

Bloom, Gordon F., and Northrup, Herbert R. Economics of Labor Relations. Homewood, Ill.: Richard D. Irwin, Inc., 1965.

Blum, Albert A. Management and the White-Collar Union. New York: American Management Association, Inc., 1964.

Braun, Kurt. The Right to Organize and Its Limits. Washington, D. C.: The Brookings Institution, 1950.

Butler, Arthur D. Labor Economics and Institutions. New York: The Macmillan Co., 1961.

Chamberlain, Neil W. Labor. New York: McGraw-Hill Book Company, Inc., 1958.

_____. Sourcebook on Labor. New York: McGraw-Hill Book Co., Inc., 1958.

Clapp, Gordon R. Employee Relations in the Civil Service. Chicago: Civil Service Assembly, 1942.

Davey, Harold W. Contemporary Collective Bargaining. Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1959.

Dunlop, John R., and Healy, James J. Collective Bargaining Principles and Cases. Homewood, Ill.: Richard D. Irwin, Inc., 1953.

Franks, Maurice R. What's Wrong with Our Labor Unions. Indianapolis and New York: The Bobbs-Merrill Co., Inc., 1963.

Friendly, Henry J. The Federal Administrative Agencies. Cambridge, Mass.: Harvard University Press, 1962.

Ginsberg, Eli. The Labor Leader. New York: The Macmillan Co., 1948.

Godine, Morton Robert. The Labor Problem in the Public Service. Cambridge, Mass.: Harvard University Press, 1951.

Goldberg, Arthur J. AFL-CIO Labor United. New York: McGraw-Hill Book Co., Inc., 1956.

Harrington, Michael, and Jacobs, Paul. Labor in a Free Society. Berkeley, Calif.: University of California Press, 1960.

Harris, Herbert. American Labor. New Haven: Yale University Press, 1938.

Hart, Wilson R. Collective Bargaining in the Federal Civil Service. New York: Harper and Brothers, 1961.

Hollander, Herbert. Crisis in the Civil Service. Washington: Current Issues Publishers, Inc., 1965.

Jacobs, Paul. The State of the Unions. New York: Atheneum, 1963.

Kuhn, A. Labor: Institutions and Economics. New York: Rinehart Co., 1956.

Lens, S. The Crisis of American Labor. New York: A. S. Barnes & Co., 1961.

Lester, Richard A. As Unions Mature. Princeton: Princeton University Press, 1958.

Litwack, L. The American Labor Movement. Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1962.

McAdams, A. K. Power and Politics in Labor Legislation. New York: Columbia University Press, 1964.

Millett, John D. Government and Public Administration. New York: McGraw-Hill Book Co., 1965.

Morgan, Chester A. Labor Economics. Homewood, Ill.: The Dorsey Press, Inc., 1962.

Nigro, Felix A. Public Personnel Administration. New York: Holt, Rinehart & Winston, Inc., 1963.

Northrup, H. F., and Bloom, G. F. Government and Labor. Homewood, Ill.: Richard D. Irwin, Inc., 1963.

Peterson, Florence. American Labor Unions. New York: Harper & Row Publishers, 1963.

Rayback, Joseph G. A History of American Labor. New York: The MacMillan Co., 1959.

Reynolds, Lloyd G. Labor and National Defense. New York: The Twentieth Century Fund, 1941.

Rose, G. Understanding Labor Relations. New York: The Bobbs-Merrill Co., Inc., 1962.

Sayles, Leonard R., and Strauss, George. Human Behavior in Organizations. New Jersey: Prentice-Hall, Inc, 1956.

Schneider, E. V. Industrial Psychology. New York: McGraw-Hill Book Co., Inc., 1957.

Slichter, Summer H., Healy, James J., and Livernash, Robert E. The Impact of Collective Bargaining on Management. Washington, D. C.: The Brookings Institution, 1960.

Spero, Sterling D. Government As Employer. New York: The Remson Press, 1948.

Sultan, Paul E. The Disenchanted Unionist. New York: Harper & Row, Publishers, 1963.

Taft, Philip. Economics and Problems of Labor. Harrisburg, Penn.: Stackpole Co., 1955.

_____. Organized Labor in American History. New York: Harper & Row Publishers, 1964.

_____. The Structure and Government of Labor Unions. Cambridge, Mass.: Harvard University Press, 1954.

Van Riper, Paul P. History of the United States Civil Service. Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1962.

Vosloo, Willem B. Collective Bargaining in the U. S. Federal Civil Service. Chicago: Public Personnel Administration, 1967.

Warner, Kenneth O. Collective Bargaining in the Public Service: Theory and Practice. Chicago: Public Personnel Association, 1967.

Weber, Arnold R. The Structure of Collective Bargaining. New York: The Free Press of Glencoe, Inc., 1961.

Widick, B. J. Labor Today. Boston, Mass.: Houghton Mifflin Co., 1964.

Yoder, Dale. Personnel Management and Industrial Relations. Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1962.

Ziskind, David. One Thousand Strikes of Government Employees. New York: Columbia University Press, 1940.

Public Documents

U.S. Bureau of the Census. Statistical Abstract of the United States. Washington: Government Printing Office, 1964.

U.S. Civil Service Commission. Federal Personnel Manual. Washington, D. C., April 24, 1964.

U.S. Civil Service Commission. Listing of Exclusive Recognitions and Negotiated Agreements in Federal Agencies under Executive Order 10988. A Report Prepared by the Employee-Management Relations Section, Bureau of Policies and Standards. Washington, D. C., August, 1966.

U.S. Civil Service Commission. Navy Civilian Personnel Instructions. Washing on, D. C., December 24, 1964.

U.S. Department of Labor, Bureau of Labor Statistics. Brief History of the American Labor Movement. Bulletin No. 1000. Washington: Government Printing Office, 1964.

U.S. Department of Labor, Bureau of Labor Statistics. Collective Bargaining Agreements in the Federal Service. Bulletin No. 1451. Washington: Government Printing Office, 1964.

U.S. Department of Labor. Employee-Management Relations in the Public Service. Washington, D. C., September, 1967.

U.S. Department of the Navy. How to Negotiate Labor-Management Agreements. NAVSO P-2427 (Revised). Washington, D. C., August, 1969.

U.S. Department of the Navy. Employee-Management Cooperation, Techniques for Conducting the Negotiating Conference. NAVEXOS P-2427. Washington, D. C., March 1963.

U.S. Office of the President. A Policy for Employee-Management Cooperation in the Federal Service. Report of President's Task Force on Employee-Management Relations in the Federal Service. Washington, D. C., November 30, 1961.

_____. Employee-Management Cooperation in the Federal Service. Executive Order 10988. Washington, D. C., January 17, 1962.

_____. Labor-Management Relations in the Federal Service. Executive Order 11491. Washington, D. C., October 29, 1969.

_____. Report and Recommendations on: Labor-Management Relations in the Federal Service. President's Study Committee on Labor-Management Relations in the Federal Service. Washington, D. C., August 1969.

Articles and Periodicals

Anderson, Archie E., and Eddy, William B. "Collective Bargaining for Federal Employees," Business and Government Review, VI (May-June, 1965), 30-38.

Belenker, Jerry. "Binding Arbitration for Government Employees," Labor Law Journal, XVI (April, 1965), 234-236.

Causey, Mike. "Federal Workers Get New Union Code," Washington Post, October 30, 1969, p. D-2.

_____. "The Federal Diary," Washington Post, December 12, 1969, p. D-15.

Christrup, Helen J. "Why Do Government Employees Join Unions?" Personnel Administration, September-October 1966, pp. 49-54.

Clopton, Willard, Jr. "Employees Exert Clout to Update Government," Washington Post, September 28, 1969, p. D-4.

Dailey, William W. "Changing Patterns of Union Relations in the Federal Service," Personnel Journal, XLIV (May, 1965), 258-262.

"Don't Ignore AFGE's Growing Influence, Management Warned," The Government Standard, March 10, 1967, pp. 8-12.

Frankel, Saul. Public Personnel Review, XXV (October, 1964), 220-224.

Green, David H. "Negotiating the Labor Agreement: What's in it for Management?" The Journal of Navy Civilian Manpower Management, II (Fall, 1968), 2-6.

Griner, John. "Report on Collective Bargaining: Real Progress," The Government Standard, March 10, 1967, pp. 18-20.

Grossman, Harry. "Adverse Actions and Appeals Therefrom--A New System for Federal Civil Servants," Labor Law Journal, XIV (March, 1963), 265-270.

Hart, Wilson R. "The U.S. Civil Service Learns to Live with Executive Order 10988: An Interim Appraisal," Industrial and Labor Relations Review, XVII (January, 1964), 203-220.

"Implementation of Executive Order 11491," Federal Register, XXXIV (December 20, 1969), 19986-19993.

Irons, Warren B. "Employee-Management Cooperation: The Federal Program in Perspective," Public Personnel Review, XXV, (July, 1964), 146-151.

Krislov, Joseph. "Prospects for the Use of Advisory Grievance Arbitrations in Federal Service," Industrial and Labor Relations Review, XVIII (April, 1965), 420-422.

"Labor Briefs," Business Week, February 12, 1966, p. 105.

Lewis, Chantee. "The Changing Climate in Federal Labor Relations," United States Naval Institute Proceedings, XCI (March, 1965), 60-69.

Macy, John W. "Employee-Management Cooperation in the Federal Service," Veterans Administration Personnel Information Bulletin, April, 1964, pp. 7-9.

_____. "The Federal Employee-Management Cooperation Review," Industrial and Labor Relations Review, July, 1966, pp. 549-561.

Mustafa, Husain. "Can Management Negotiate Aspects of Its Rights?" Public Personnel Review, XXIX, (July, 1968), 144-147.

"NFFE Suit Is Filed on Executive Order 10988," The Federal Employee, XLIX (July, 1964), 7.

Posey, Rollin B. "How to Negotiate with Labor Unions," Public Personnel Review, January, 1953, pp. 36-42.

"Postal Strike--The Effect." U.S. News & World Report, April 6, 1970, pp. 16-19.

Seasongood, Murray, and Barrow, Roscoe L. "Unionization of Public Employees," Cincinnati Law Review, XXI (November, 1952), 327-392.

Smythe, Cyrus F. "Collective Bargaining under Executive Order 10988--Trends and Prospects," Public Personnel Review XXVI (October, 1965), 199-202.

"Strikes of Government Employees, 1942-1961," Monthly Labor Review, LXXXVI (January, 1963), 51-60.

"The Time Has Come to Put Some Muscle into Government Bargaining," The Federal Machinists News, IV (February, 1967), 6-8.

"The United Federation of Postal Clerks Suit Challenges Strike Ban," Federal Times, V (December, 1969), 1.

"Untangling the Mess in the Post Office." Business Week, March 28, 1970, pp. 78-108.

Wollett, Donald H. "The Public Employee at the Bargaining Table: Promise or Illusion," Labor Law Journal, XV (January, 1964), 8-15.

Wortman, Max S., Jr. "Collective Bargaining Strategies and Tactics in the Federal Civil Service," Labor Law Journal, XI (July, 1964), 482-492.

Zander, Arnold S. "A Union View of Collective Bargaining in the Public Service," Public Administration Review, IV (Winter, 1962), 5-13.

Zaner, Theodore. "Did the Right to Bargain Collectively Precipitate the Closure of the Brooklyn Navy Yard?" Personnel Administration, XXX (July-August, 1967), 42-45.

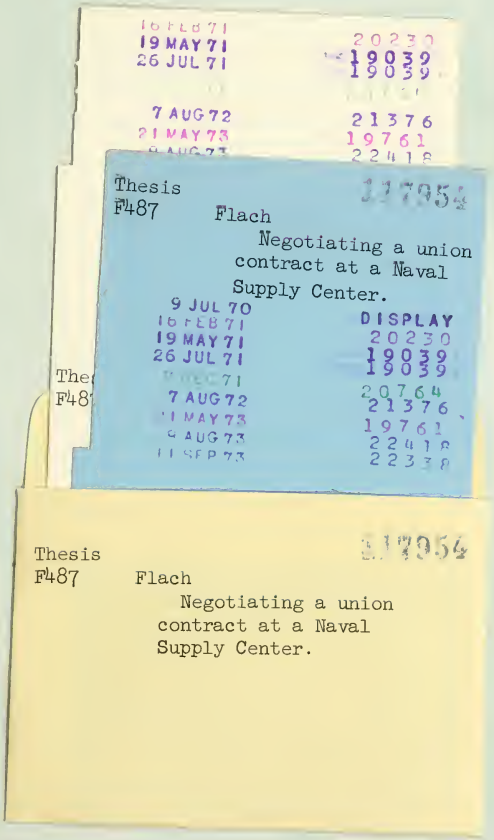
Interviews

Berg, Robert K., Lieutenant Commander. Assistant to the Commanding Officer, U.S. Naval Supply Center, Charleston, S. C. Interview, January 20, 1970.

Garnett, Tom. Employee Relations Staff, Office of Civilian Manpower Management, U.S. Department of the Navy, Washington, D. C. Interviews, September 24, 1969, and February 25, 1970.

Hamilton, Tom. Staff Assistant to the Material Department Director, U.S. Naval Supply Center, Charleston, S. C. Interview, February 3, 1970.

Taylor, Kieth. Employee Relations Staff, Naval Supply Systems Command, U.S. Department of the Navy, Washington, D. C. Interview, January 26, 1970


19 MAY 71
26 JUL 71
20230
19039
19039
7 AUG 72
21376
19761
Thesis
F487
Flach
Negotiating a union
contract at a Naval
Supply Center.
9 JUL 70
DISPLAY
19 MAY 71
20230
26 JUL 71
19039
19039
7 AUG 72
20764
21376
19761
Thesis
F487
Flach
Negotiating a union
contract at a Naval
Supply Center.